GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:136
ANSWERED ON:02.03.2001
IMPACT OF WTO AGREEMENTS
IQBAL AHMED SARADGI;SRINIVASULU KALAVA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of agreements signed by the Government relating to farm sector with WTO;

(b) whether these agreements have adversely affected the interests of Indian farmers;

(c) if so, whether now the Government have taken into consideration the concerns of farmers in regard to security and livelihood for negotiation at WTO;

(d) if so, whether the farm experts and ASSOCHAM have also made some suggestions in this regard;

(e) if so, the details thereof;

(f) whether the Government have mobilised the support of other developing countries on this issue for negotiation at WTO;
(g) if so, the names of countries who have agreed to support India`s concern on farm sector; and
(h) the other steps being taken by the Government to protect the interests of Indian farmers from the adverse impact of WTO agreements?

Answer

MINSTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (h): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF THE LOK SABHA STARRED QUESTION NO.136 DT.02-3-2001 ON IMPACT OF WTO AGREEMENTS

India has signed the Marrakesh Agreement establishing the World Trade Organisation (WTO) and is also a party to General Agreement on Tariffs and Trade 1994, Agreement on Agriculture and 14 other multilateral agreements under WTO. The WTO agreements which have a direct bearing on the farm sector include the Agreements on Sanitary and Phytosanitary Measures, Trade Related Aspects of Intellectual Property Rights, Safeguards, Anti Dumping, Subsidies and Countervailing Measures, and the Understanding on Rules and Procedures governing the Settlement of Disputes.

By virtue of signing of WTO agreement, India is automatically entitled to get from other WTO members, the most favoured nation (MFN) and national treatment for its exports. In the wake of removal of QRs which were being maintained on Balance of Payment grounds, Government have also put in place a suitable mechanism for monitoring the import of sensitive items and are committed to provide adequate protection to the domestic producers by resorting to various WTO compatible measures which include appropriate calibration of applied tariffs within the bound tariffs, anti-dumping and safeguard actions as well as imposition of countervailing duties under certain specified circumstances.

During the wide ranging consultations held by the Government, there was a general perception that food security and livelihood concern is of paramount importance to India and there was a near unanimous view including that of some farm experts and ASSOCHAM, that India in its negotiating proposals must highlight its food security and livelihood concerns.

Accordingly, India in its proposals submitted to WTO for the ongoing negotiations under the Agreement on Agriculture, has made a detailed proposal on `Food Security` demanding the creation of a `Food Security Box`. In this proposal, it has been, interalia, demanded that sufficient flexibility should be available to the developing countries for taking domestic policy measures for poverty alleviation, rural development, rural employment and diversification of agriculture and that a special safeguard mechanism should be made available to the developing countries to protect domestic producers against any surge in imports or against any decline in international prices below a predetermined level with a view to protect the livelihood of a large percentage of their population.

Concerted efforts have been made by Government to garner support for its proposals from the member countries of the WTO.In this regard, India had also co-sponsored a paper on `Market Access` along with Cuba, Dominican Republic, El Salvador, Honduras, Kenya, Nigeria, Pakistan, Sri Lanka, Uganda, Zimbabwe and HaitiGovernment have also held consultations with some developing countries for mobilising support for its negotiating proposals in the areas of Market Access, Domestic Support, Export Competition and Food Security. In the discussions which have taken place till now in the Special Sessions of the Committee on Agriculture, India`s proposal were generally supported by many developing countries including Columbia, Malaysia, Indonesia, Philippines, Pakistan,

Nigeria, Hungary, Mauritius, Sri Lanka, Paraguay and Venezuela.Further consultations with member countries are being continued to mobilise their support for our proposals.